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**FISCAL IMPACT STATEMENT**

**LS 6717**

**BILL NUMBER:** HB 1036

**NOTE PREPARED:** Dec 26, 2012

**BILL AMENDED:**

**SUBJECT:** Guaranteed Energy Savings Contracts.

**FIRST AUTHOR:** Rep. Stemler

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill provides that qualified providers eligible to enter into guaranteed energy savings contracts with local government entities also include persons providing energy conservation design services by a licensed architect. (Current law limits qualified providers to persons providing engineering services by a licensed professional engineer.)

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* The bill would provide local units with greater flexibility in awarding guaranteed energy savings contracts (GESG) as the bill would allow designs from licensed architects in addition to engineers to be considered for the GESG. The fiscal impact is unknown, but would depend on whether more contracts are entered into and the savings from each project.

**Background:** A GESG is an agreement between a qualified provider and a building owner to reduce the energy and operating costs of a building or a group of buildings by a specified amount. The large capital investments needed to reduce the operating costs of a building are measured against the savings, which are used to pay for the investment over a 15-year period. If the guaranteed savings are not achieved, the provider must reimburse the building-owner for the difference between the guaranteed and actual cost savings.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** All.

**Information Sources:** <http://www.in.gov/oed/2638.htm>.

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